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August 26, 2005

HAND DELIVERY

Honorable Ron Jones, Chairman
c/o Sharla Dillon, Docket & Records Manager
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

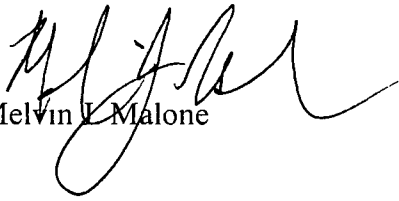
**RE: *In Re: Petition of Knology Inc. and Knology of Tennessee, Inc.
For Financing Approval, TRA Docket No. 05-00217***

Dear Chairman Jones:

Enclosed please find an original and thirteen (13) copies of the Petitioners' Responses to the Data Requests issued by the Tennessee Regulatory Authority on August 19, 2005, in the above-captioned matter.

Also enclosed are two (2) additional copies to be "File Stamped" for our records. If you have any questions or require additional information, please let us know.

Very truly yours,


Melvin J. Malone

MJM cgb

Enclosures

cc: Felix Boccucci
Carlos C. Smith

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***RE: In Re: Petition of Knology, Inc. and Knology of Tennessee, Inc.
For Financing Approval, TRA Docket No. 05-00217***

Dear Chairman Jones.

Pursuant to the Data Requests issued by the Tennessee Regulatory Authority ("Authority" or "TRA") on August 19, 2005, Knology, Inc. and Knology of Tennessee, Inc., the Petitioners in the above-captioned matter, through their undersigned counsel, submit the responses set forth below.

1. Per the Use of Proceeds listed (under Section G) in the Description of the Proposed Transaction of the Petition filed with the Authority on August 3, 2005, provide documentation showing the interest rate that will be paid and/or incurred with regards to 1.) refinancing the existing \$15 million Wachovia Credit Facility, and 2.) refinancing the existing \$32 million Co-Bank Facility. In addition, provide how much interest expense has been paid, as well as the unpaid balances on the principal and interest on both of the above-referenced Wachovia and Co-Bank Facilities.

Response

The proceeds from the loan transaction set forth in the *Petition of Knology, Inc. and Knology of Tennessee, Inc. for Financing Approval* (the "*Petition*") were used, in part, to pay off both the Wachovia Credit Facility and the Co-Bank Facility on or about June 29, 2005. The pay-off amounts for the Wachovia and the Co-Bank facilities were \$15,464,750 and \$31,895,316 respectively.

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c/o Sharla Dillon, Docket & Records Manager
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2. Have the petitioners filed similar petitions in other states and what is the status of any such petition?

Response:

Knology of Georgia, Inc., Globe Telecommunications, Inc., and Interstate Telephone Company, Inc., all subsidiaries of Knology, Inc., filed a joint application for financing approval with the Georgia Public Service Commission ("GPSC"). The GPSC approved the application on July 19, 2005. A copy of the GPSC Order is attached to the *Petition* as Exhibit E.

3. Have the Petitioners applied for approval for financing from any Federal agency? Have they notified any Federal Agency? If so, what is the status of any such application or notification?

Response:

As set forth in the *Petition*, the Petitioners, Knology, Inc. and Knology of Tennessee, Inc., have not applied for approval for financing from any Federal Agency. Knology, Inc. filed notification of its financing activity with the Securities and Exchange Commission. *See Petition of Knology, Inc. and Knology of Tennessee, Inc. for Financing Approval*, TRA Docket No. 05-00217, p 10 (Aug. 3, 2005).

4. How many customers does Knology of Tennessee, Inc., including its subsidiaries, currently have in Tennessee?

Response:

The number of telephone access lines served by Knology of Tennessee, Inc., as of July 31, 2005, are as shown in its latest monthly wire line report filed with the Authority.

Knology of Knoxville, Inc. provides cable and broadband services in Knoxville, Tennessee. Currently, Knology of Nashville, Inc. does not provide any cable or other services.

5. Confirm that Knology will continue to operate and/or provide service under its current name and CCN issued by the Authority, and its business licenses as filed with the Tennessee Secretary of State's Office.

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c/o Sharla Dillon, Docket & Records Manager
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Response:

Knology of Tennessee, Inc. will continue to operate and/or provide telephone service in the State of Tennessee under its current name and CCN issued by the Authority, and its Certificate of Authorization to Transact Business in Tennessee issued by the Tennessee Secretary of State's Office.

6. Verify all current CCNs issued with the Authority, and provide copies of all current business licenses of Knology, Inc. filed with the Tennessee Secretary of State's Office

Response:

As set forth in the *Petition*, Knology of Tennessee, Inc. was initially granted a Certificate of Convenience and Necessity from the Authority on or about May 22, 2000. The Authority granted Knology of Tennessee, Inc. an amended Certificate of Convenience and Necessity on or about June 10, 2004. See *Petition of Knology, Inc and Knology of Tennessee, Inc for Financing Approval*, TRA Docket No. 05-00217, p. 2, n. 2.

Knology of Tennessee, Inc.'s Certificate of Incorporation and its Certificate of Authorization to Transact Business in Tennessee are contained in Exhibit C to the *Petition*. Knology, Inc. has not sought a Certificate of Authorization to Transact Business in Tennessee. The Delaware Certificate of Incorporation of Knology, Inc, and amendments thereto, and the Georgia Certificate of Authority to Transact Business of Knology, Inc , are contained in Exhibit C to the *Petition*.

7. Provide an electronic proposed order designed to grant the relief you seek in the *Petition* filed with the Authority on August 3, 2005.

Response:

As requested, attached hereto is a hard copy of the Proposed Order designed to grant the relief requested in the *Petition*. The Proposed Order is also being submitted electronically as well. The Proposed Order has been drafted consistent with recent orders issued by the Authority with respect to Tenn Code Ann. § 65-4-109, and thus reflects what Petitioners believe to be the agency's previous positions and conclusions and not those of the Petitioners.

Honorable Ron Jones, Chairman
c/o Sharla Dillon, Docket & Records Manager
August 26, 2005
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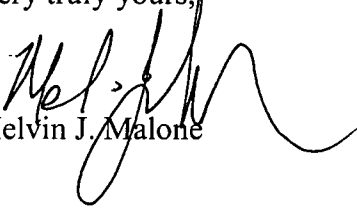
8. Explain the relationship among Knology of Tennessee, Inc., Knology of Nashville, Inc., and Knology of Knoxville, Inc.

Response

Knology of Tennessee, Inc. is an Authority-certified competing local exchange carrier that provides traditional local and long distance telephone services in the metropolitan Knoxville area. Knology of Knoxville, Inc. is franchised to provide cable service in the metropolitan Knoxville area and does provide cable and broadband services in the metropolitan Knoxville area. Knology of Nashville, Inc. is franchised to provide cable service in the metropolitan Nashville area. All three (3) entities are wholly-owned subsidiaries of Knology, Inc.

If the Authority needs additional information, please let us know.

Very truly yours,


Melvin J. Malone

MJM cgb

Enclosures

cc: Mr. Felix Boccucci
Carlos C. Smith, Esq.

BEFORE THE
TENNESSEE REGULATORY AUTHORITY

IN RE:

PETITION OF KNOLOGY, INC.
AND KNOLOGY OF TENNESSEE, INC.)
FOR FINANCING APPROVAL

Docket Number 05-00217

ORDER APPROVING FINANCING TRANSACTIONS

This matter came before Chairman Ron Jones, Director Sara Kyle, and Director Pat Miller of the Tennessee Regulatory Authority (the "Authority" or "TRA"), the voting Panel assigned to this docket, at a regularly scheduled Authority Conference held on September 12, 2005, for consideration of the *Petition of Knology, Inc. and Knology of Tennessee, Inc. for Financing Approval* (the "*Petition*") for an order, pursuant to Tenn. Code Ann. § 65-4-109, approving the financing transactions set forth in the *Petition*.

THE PETITION

Knology of Tennessee, Inc. ("Knology-Tennessee") is a Tennessee certificated competing local exchange carrier ("CLEC").¹ Knology-Tennessee provides local and long distance telephone services in the Knoxville, Tennessee area.

¹ See, e.g., Initial Order Granting Amendment to Certificate of Public Convenience and Necessity, *In Re Application of Knology of Tennessee, Inc. To Amend Its Certificate Of Public Convenience And Necessity To Provide Telecommunications Services In The State Of Tennessee*, TRA Docket No 04-00092 (June 10, 2004) Knology-Tennessee was first certificated in Tennessee on May 22, 2000 See Order Granting Certificate of Public Convenience and Necessity, *In Re Application of Knology of Tennessee, Inc For A Certificate Of Public Convenience And Necessity As A Competing Telecommunications Services Provider*, TRA Docket No 00-00058 (May 22, 2000)

Knology of Knoxville, Inc. is franchised to provide cable service in the Knoxville, Tennessee area. Knology of Knoxville, Inc. provides competitive broadband services to consumers and businesses in the metropolitan Knoxville, Tennessee area, which services are provided using a state of the art fiber to the curb broadband network.

Knology-Tennessee, along with other subsidiaries of Knology, Inc., is wholly-owned and controlled by Knology, Inc., a West Point, Georgia-based holding company (the "Parent"). In addition to its incumbent local exchange carrier ("ILEC") businesses in Georgia and Alabama, the Parent, through its subsidiaries, has CLEC operations in Columbus, Augusta and Newnan, Georgia; Huntsville and Montgomery, Alabama; Knoxville, Tennessee; Charleston, South Carolina; Panama City and Pinellas County, Florida.

In the *Petition*, filed on August 3, 2005, Knology, Inc. and Knology-Tennessee (collectively the "Petitioners") request approval for Knology-Tennessee to participate, along with the other subsidiaries of Parent, in a loan transaction in which the Parent has entered into a First Lien Credit Agreement and a Second Lien Credit Agreement (collectively the "Credit Agreements").²

The Credit Agreements include three (3) credit facilities. The Credit Facilities entered into by the Parent consists of: (1) a 5-year First Lien Revolving Credit Facility; (2) a 5-year First Lien Term Loan; and (3) a 6-year Second Lien Term Loan. The total amount of the transaction is \$308,958,333. The First Lien Revolving Credit Facility is in the amount of \$25 million. The aggregate amount of the First Lien Term Loan and the Second Lien Term Loan is \$283,958,333.

² As concerning the financing transactions that are the subject matter of the *Petition*, other than Tennessee, only Georgia required approval. The Georgia Public Service Commission Order granting approval is attached to the *Petition* as **Exhibit E**.

The borrower under the Credit Facilities is the Parent. The Credit Facilities are guaranteed by the Parent's direct and indirect subsidiaries. In total, there are twenty-two (22) subsidiaries of the Parent that are guarantors of the Credit Facilities. The lenders under the Credit Facilities consist of a syndicate of banks, financial institutions and other institutional lenders (collectively the "Lenders"). The Administrative Agent for the Lenders is Credit Suisse First Boston ("CSFB"). The First Lien Guaranty and the Pledge and Security Agreement have not been executed by Knology-Tennessee. Pursuant to the terms of the Credit Agreements, the assets of Knology-Tennessee will not be subject to liens or security interests under the Credit Facilities until approval by the Authority.

According to the *Petition*, the proceeds from the Credit Facilities will be used as follows:

- Refinance the existing \$15 million Wachovia Credit Facility, which is evidenced by the Amended and Restated Credit Agreement, dated October 22, 2002, as amended, among certain Knology affiliates and a syndicate of financial institutions with Wachovia, as administrative agent;
- Refinance the existing \$32 million Co-Bank Facility, which is evidenced by the Master Loan Agreement, dated as of June 6, 2002, as amended and supplemented, among Interstate Telephone and Valley Telephone Company LLC, as borrowers, and CoBank ACB, as lender;
- Refinance Parent's existing \$237 million 12.0% Senior Notes due 2009,
- Pay for the transaction costs for the Credit Facilities, and

- Provide liquidity in the form of the \$25 million revolving.

STATUTORY FRAMEWORK

Tenn. Code Ann. § 65-4-109 provides as follows:

No public utility shall issue any stocks, stock certificates, bonds, debentures, or other evidences of indebtedness payable in more than one (1) year from the date thereof, until it shall have first obtained authority from the [TRA] for such proposed issue. It shall be the duty of the [TRA] after hearing to approve any such proposed issue maturing more than one (1) year from the date thereof upon being satisfied that the proposed issue, sale and delivery is to be made in accordance with law and the purpose of such be approved by the [TRA].

SEPTEMBER 12, 2005, AUTHORITY CONFERENCE

At a regularly scheduled Authority Conference held on September 12, 2005, the Panel voted unanimously to approve the Petition upon finding:

1. The proposed transactions are subject to approval pursuant to Tenn. Code Ann § 65-4-109;
2. The proposed transactions will effect the assets of Knology, Inc 's subsidiaries;
3. Petitioners have not alleged that approval of these transactions is required by any federal agency;
4. Tennessee has a legitimate interest in monitoring the integrity of the competitive marketplace, which includes obtaining information on the financial transactions and fitness of certificated telecommunications carriers;
- 5 The burden of compliance with Tenn. Code Ann. § 65-4-109 is minimal, as such compliance should be perfunctory given the telecommunications industry's movement to a competitive environment;

6. The transactions are being made in accordance with the laws enforceable by the TRA; and

7. The purpose of the transactions is in the public interest because, based on the assertions of the Petitioners, the transactions will strengthen Petitioners' financial standing to enable them to better serve the citizens of Tennessee.

IT IS THEREFORE ORDERED THAT:

1. As requested in the *Petition of Knology, Inc, and Knology of Tennessee for Financing Approval*, Knology-Tennessee is authorized to participate as a guarantor under the Credit Facilities in favor of the Lenders and their successors and assigns (including without limitation the execution, delivery and performance of the Guaranty and the Pledge and Security Agreement) and the creation and perfection of the liens on the collateral owned by Knology-Tennessee in favor of the Lenders and their successors and assigns, in the manner and for the purpose contemplated in the Credit Agreements;

2. The Petitioners are authorized to consummate all transactions undertaken, and to execute all related documents, as requested in the *Petition*; and

3 The authorization and approval given hereby shall not be used by any party, including, but not limited to, any lending party, for the purpose of inferring that an analysis or assessment of the risk involved has been performed. Nothing contained herein creates or is intended to create any liability on the part of the Tennessee

Regulatory Authority, the State of Tennessee, or any political subdivision thereof for the transactions approved herein.

Ron Jones, Chairman

Sara Kyle, Director

Pat Miller, Director